

**IN THE UNITED STATES DISTRICT COURT FOR THE
WESTERN DISTRICT OF MISSOURI
WESTERN DIVISION**

UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	
v.)	Civil No. 14-
)	
\$212,930.74 IN UNITED STATES)	
CURRENCY SEIZED FROM US BANK)	
ACCOUNT NUMBER 153755342364,)	
)	
\$19,974.26 IN UNITED STATES)	
CURRENCY SEIZED FROM WELLS)	
FARGO ACCOUNT NUMBER)	
6607114854,)	
)	
\$33,366.20 IN UNITED STATES)	
CURRENCY SEIZED FROM WELLS)	
FARGO ACCOUNT NUMBER)	
1840470338,)	
)	
\$2,688.01 IN UNITED STATES)	
CURRENCY SEIZED FROM US BANK)	
ACCOUNT NUMBER 253752800057,)	
)	
2013 HONDA CIVIC)	
VIN: 2HGFB2F51DH526143,)	
)	
2014 HONDA ODYSSEY ELITE)	
VIN: 5FNRL5H99EB011246,)	
)	
Defendants.)	

COMPLAINT FOR FORFEITURE IN REM

Plaintiff, United States of America, by its attorneys, Tammy Dickinson, United States Attorney for the Western District of Missouri, and James Curt Bohling, Assistant United States Attorney, brings this complaint and alleges as follows in accordance with Supplemental Rule G(2) of the Federal Rules of Civil Procedure:

NATURE OF THE ACTION

1. This is an action to forfeit property to the United States for violations of 18 U.S.C. § 981(a)(1)(A), 18 U.S.C. § 981(a)(1)(C), 18 U.S.C. § 2323(a)(1)(B), and 18 U.S.C. § 2323(a)(1)(C).

THE DEFENDANTS IN REM

2. The defendant \$212,930.74 in United States currency was seized from US Bank silver business checking account number 153755342364 (hereinafter “USB x2364”), in the name of “Vegascart” with Arunachalam ANNAMALAI as the sole signor of this account, on July 30, 2014, in Kansas City, Missouri, by Homeland Security Investigations (HSI) and is currently in the custody of its Fines, Penalties and Forfeiture branch, United States Customs and Border Protection (CBP), in St. Louis, Missouri.

3. The defendant \$19,974.26 in United States currency was seized from Wells Fargo account number 6607114854 (hereinafter “WFB x4854”), in the name of ANNAMALAI, sole owner, on July 30, 2014, in Leawood, Kansas, by HSI and is currently in the custody of its Fines, Penalties and Forfeiture branch, CBP, in St. Louis, Missouri.

4. The defendant \$33,366.20 in United States currency was seized from Wells Fargo account number 1840470338, (hereinafter “WFB x0338”), in the name of ANNAMALAI, sole owner, on July 30, 2014, in Leawood, Kansas, by HSI and is currently in the custody of its Fines, Penalties and Forfeiture branch, CBP, in St. Louis, Missouri.

5. The defendant \$2,688.01 in United States currency was seized from US Bank account number 2537528000057 (hereinafter “USB x0057”), a standard savings account in the name of ANNAMALAI and listing Rakesh ARUN as an additional signor, on July 30, 2014, in

Kansas City, Missouri, by HSI and is currently in the custody of its Fines, Penalties and Forfeiture branch, CBP, in St. Louis, Missouri.

6. The defendant 2014 Honda Civic, VIN: 2HGFB2F51DH526143, was seized from ANNAMALAI on July 30, 2014, in North Las Vegas, Nevada, by HSI and is currently in the custody of its Fines, Penalties and Forfeiture branch, CBP, in Los Angeles, CA.

7. The defendant 2014 Honda Odyssey Elite, VIN: 5FNRL5H99EB011246, was seized from ANNAMALAI on July 30, 2014, in North Las Vegas, Nevada, by HSI and is currently in the custody of its Fines, Penalties and Forfeiture branch, CBP, in Los Angeles, CA.

JURISDICTION AND VENUE

8. This Court has subject matter jurisdiction over an action commenced by the United States under 28 U.S.C. § 1345, and over an action for forfeiture under 28 U.S.C. § 1355(a). This Court also has jurisdiction over this particular action under 18 U.S.C. §§ 981(a)(1)(A), (a)(1)(C), 2323(a)(1)(B) and 2323(a)(1)(C).

9. This Court has *in rem* jurisdiction over the defendant property pursuant to 28 U.S.C. § 1355(b)(1)(A) because acts or omissions giving rise to the forfeiture occurred in this district.

10. Venue is proper in this district pursuant to 28 U.S.C. §1355(b)(1)(A) because acts or omissions giving rise to the forfeiture occurred in this district.

BASIS FOR FORFEITURE

11. The defendant properties are subject to forfeiture pursuant to Title 18, United States Code, Sections 981(a)(1)(C), because they constitute any property, real or personal, which constitutes or is derived from proceeds traceable to any offense constituting “specified unlawful

activity” (as defined in Section 1956(c)(7) of Title 18, United States Code), or a conspiracy to commit such offense, with such offenses including violations of Title 18, United States Code, Sections 1343 (wire fraud), 2320 (trafficking in counterfeit goods) and 1029 (access device fraud).

12. The defendant properties are subject to forfeiture pursuant to 18 U.S.C. § 981(a)(1)(A), because they constitute property involved in a transaction or an attempted transaction in violation of sections 1956(a) and (h), 1957 and 1960 of Title 18, United States Code, or is property traceable to such property.

13. The defendant properties are subject to forfeiture pursuant to 18 U.S.C. § 2323 because they were used or intended to be used, in any manner or part to commit or facilitate or they constitute any property derived from any proceeds obtained directly or indirectly as a result of the commission of trafficking in counterfeit goods in violation of 18 U.S.C. § 2323.

FACTS

14. ANNAMALAI is listed as the sole owner of VegasCart, LLC, an entity filed with the Nevada Secretary of State’s office on October 31, 2013, and designated Nevada Business ID number NV20131604798. Since at least 2009, ANNAMALAI has been engaged in the sale of various computer software programs. The principal residence and supposed place of business for the VegasCart, LLC, is 6729 Upper Mesa Court, Las Vegas, NV 89084.

15. Between on or about October 2009, to the present, ANNAMALAI engaged in a fraudulent scheme and artifice to obtain money and property from numerous individuals through the sale and distribution of unauthorized, fraudulent and counterfeit goods. ANNAMALAI fraudulently obtained and sold suspected unauthorized, counterfeit, stolen software and other products by companies such as Microsoft Corporation and Adobe Systems, Inc., with

ANNAMALAI grossing approximately \$4.1 million in revenue. In the course of this conspiracy, ANNAMALAI obtained these products through various sources, who in turn had obtained these counterfeit and/or unauthorized products from sources in the People's Republic of China and Singapore, making contact and conducting business through the phone and internet.

ANNAMALAI then engaged in numerous monetary transactions with his co-conspirators in the United States with the proceeds from the fraud. In addition, ANNAMALAI has used the proceeds from this fraudulent activity to acquire various properties, including residential properties and personal vehicles.

16. Investigations conducted by HSI obtained numerous counterfeit and unauthorized Microsoft Office product activation key code cards that were disposed of outside of the primary residence of Casey Ross, located in Kansas City, Missouri. In the course of this investigation, HSI agents determined that Ross, ANNAMALAI, and others have been engaged in a large conspiracy to distribute these counterfeit and unauthorized Microsoft product activation key codes. Microsoft officials have confirmed the unauthorized and/or counterfeit nature of the product key cards seized to date in this investigation, and verified that neither Ross nor ANNAMALAI are authorized to sell these product activation key codes in the manner they have been sold in the course of their business.

17. Between on or about March 22, 2013, and December 9, 2013, ANNAMALAI placed approximately 84 orders for these unauthorized product activation key codes from Casey Ross of Software Slashers, which is based in Kansas City, Missouri, which is located in the Western District of Missouri. These purchases resulted in the sale and distribution of approximately 2,569 various Microsoft product activation key codes with an estimated retail value

of approximately \$700,000.00.

18. In July 2012, ANNAMALAI opened a US Bank silver business checking account ending in -2364 (“USB x2364”) in the business name “Vegascart.” ANNAMALAI was the sole signor of this account, with an address of 3647 Asbury Hill Avenue, Las Vegas, Nevada 89110-3044. Beginning in September 2012, this USB x2364 account began receiving deposits for software payments from Google Checkout made out to “Vegascart,” and since this time has received almost \$900,000.00 in deposits for what appears to be online software sales. Between July 2013 and through April 2014, ANNAMALAI’s USB x2364 account received approximately 221 separate transactions from payment sources which correspond to the online sales activity of this counterfeit and/or unauthorized software. Specifically, ANNAMALAI’s USB x2364 received \$611,638.51 in deposits from PayPal; \$151,800.55 from Stripe; \$88,157.54 from Braintree; and \$490.80 from Google Checkout. These payments appear to correspond to the online sales of suspected fraudulent and counterfeit goods, specifically counterfeit and unauthorized Microsoft product activation key codes.

19. On July 30, 2014, HSI Kansas City seized \$212,930.74 in United States currency from USB x2364 pursuant to a seizure warrant issued by the Honorable United States Magistrate Judge Sarah W. Hays in the Western District of Missouri.

20. In December 2011, ANNAMALAI opened Wells Fargo Bank account ending in -4854 (WFB x4854) listing “Arunachalam ANNAMALAI – Sole Owner” with an address of 3647 Asbury Hill Ave, Las Vegas, Nevada 89110-3044, which was later updated with the address 6729 Upper Mesa Court, North Las Vegas, Nevada. Beginning in November 2012, this WFB x4854 account began receiving payments from a Bankcard merchant account with “Vegascart” listed in

the description of the deposit. Since that time, in excess of \$417,000 was deposited into this WFB x4854 account. Between July 2013 and through April 2014, ANNAMALAI's WFB x4854 account received approximately 184 separate transactions from Bankcard for a total of \$238,965.06. These payments appear to correspond to the online sales of suspected fraudulent and counterfeit goods, specifically counterfeit and unauthorized Microsoft product activation key codes.

21. On July 30, 2014, HSI Kansas City seized \$19,974.26 in United States currency from WFB x4854 pursuant to a seizure warrant issued by the Honorable United States Magistrate Judge Sarah W. Hays in the Western District of Missouri.

22. In December 2011, ANNAMALAI also opened another Wells Fargo Bank preferred checking account ending in -0338 ("WFB x0338") listing "Arunachalam ANNAMALAI – Sole Owner" with an address of 3647 Asbury Hill Ave, Las Vegas, Nevada 89110-3044. Shortly after this WFB x0338 account was opened, it began receiving payments from PayPal and Google Checkout (with "Vegascart" listed in the description of the deposit). Since that time, in excess of \$630,000 was deposited into this WFB x0338 account for what appears to be payments for online sales activity. Between July 2013 and through April 2014, ANNAMALAI's WFB x0338 account received approximately nine separate transactions totaling \$59,965.58 from PayPal. These payments appear to correspond to the online sales of suspected fraudulent and counterfeit goods, specifically counterfeit and unauthorized Microsoft product activation key codes.

23. On July 30, 2014, HSI Kansas City seized \$33,366.20 in United States currency from WFB x0338 pursuant to a seizure warrant issued by the Honorable United States Magistrate

Judge Sarah W. Hays in the Western District of Missouri.

24. On July 2012, ANNAMALAI opened US Bank Account No. 253752800057 (hereinafter “USB x0057”), a Standard Savings account, opened by Arunachalam ANNAMALAI. ANNAMALAI listed “Rakesh ARUN” as a signor on this account, and at the time the account was opened, provided an address of 3647 Asbury Hill Avenue, Las Vegas, Nevada 89110-3044. More recent bank statements reflect the current address of 6729 Upper Mesa Court, North Las Vegas, Nevada. By August 2012, this USB x0057 account began receiving deposits believed to be for software sold via the merchant services of Sears, listing “SEARS EFT” as the deposit description. The “SEARS EFT” deposits were the only items deposited in this bank account, other than the interest paid by US Bank. Over \$21,000 was deposited into this account, all of which is believed to be proceeds of the sale of software through the Vegascart.com website. ANNAMALAI has utilized USB x0057 to receive payments from online sales through a merchant account operated by Sears, noted on his account statements as “Sears EFT” - capturing the funds associated with the sales through his Vegascart.com website. These payments are consistent with robust online sales activity, the deposits listed through the aforementioned merchant services are directly associated with the sales of suspected fraudulent and counterfeit goods. Between July 2013 and April 2014, account USB x0057 had approximately 40 separate transactions from “Sears EFT” totaling \$2,688.01 deposited in the account.

25. On July 30, 2014, HSI Kansas City seized \$2,688.01 in United States currency from USB x0057 pursuant to a seizure warrant issued by the Honorable United States Magistrate Judge Sarah W. Hays in the Western District of Missouri.

26. Based on a review of the Department of Homeland Security records,

ANNAMALAI has overstayed his Visa, is illegally present in the United States, and has not been authorized to work by the Department of Homeland Security since 2006. It is believed that the funds deposited from online merchants in these accounts – which account for the vast majority of ANNAMALAI's cash assets and income – represent the criminal proceeds from this fraudulent scheme to import and sell these counterfeit and unauthorized goods. ANNAMALAI would use the proceeds in the above-listed accounts to purchase numerous properties, including residential properties and vehicles.

27. On March 12, 2013, Honda West records indicate the execution of a Simple Interest Vehicle Contract for Sale and Security Agreement, whereby ANNAMALAI agreed to purchase a 2013 Honda Civic (VIN: 2HGFB2F51DH526143) from the Honda West dealership in Las Vegas, Nevada. The total sales price for the vehicle was listed as \$22,956.31. On March 13, 2013, Honda West records indicate ANNAMALAI wrote a check from his WFB x0338 account in the amount of \$10,398.87. In addition, on March 9, 2013, Honda West receipt number 008482 reflects a debit card transaction in the amount of \$1,000 (which was drawn from his WFB x4854 account) constituting a total down payment of \$11,398.87. Documents acquired via an administrative Customs Summons from Honda West note the monthly payments for this vehicle to be \$321.04 for 36 months. Bank records indicate that from March 28, 2013, to April 23, 2014, ANNAMALAI made four payments totaling \$7,642.08. According to bank account information, in addition to regular loan payments, two large payments were made against the balance of the vehicle. On March 28, 2013, a payment was processed for \$1,000 and on April 22, 2013, a payment was processed for \$6,000, both listing "AM Honda" as the recipient from WFB x0338.

28. On July 30, 2014, HSI Kansas City affected the seizure of the 2013 Honda Civic pursuant to a seizure warrant issued by the Honorable United States Magistrate Judge Sarah W. Hays in the Western District of Missouri at the primary residence of ANNAMALAI in North Las Vegas, Nevada.

29. On September 2, 2013, ANNAMALAI purchased a 2014 Honda Odyssey Elite (VIN: 5FNRL5H99EB011246) from the Honda West dealership in Las Vegas, Nevada, using proceeds deposited in the USB x2364 account as well as the WFB x4854 account. The total sales price for the vehicle was \$46,323.64. At the time of purchase, Honda West records indicate ANNAMALAI wrote a check from WFB x4854, in the amount of \$10,000 as a down payment. The remaining balance was financed for 36 months, with a monthly payment of \$1,008.99. Payments for \$1,008.99, starting in October 2013, are reflected in the records associated with USB x2364. In addition to these regular payments, ANNAMALAI used this USB x2364 account to make larger payments to "AM-Honda" for a total of \$25,001.00 (\$1,001.00 in October 2013, \$15,000.00 in November 2013 and \$9,000.00 in December 2013). The title transferred from the dealership states the name of the purchaser as Arunachalam ANNAMALAI, with the address 6729 Upper Mesa Court, North Las Vegas, Nevada 89084-1108.

30. On July 30, 2014, HSI Kansas City affected the seizure of the 2014 Honda Odyssey Elite pursuant to a seizure warrant issued by the Honorable United States Magistrate Judge Sarah W. Hays in the Western District of Missouri at the primary residence of ANNAMALAI in North Las Vegas, NV.

FIRST CLAIM FOR RELIEF

31. The Plaintiff repeats and incorporates by reference the paragraphs above.

32. By the foregoing and other acts, the defendant properties were involved in transactions or attempted transactions in violation of 18 U.S.C. § 1343, that is wire fraud, and therefore, is forfeitable to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C).

SECOND CLAIM FOR RELIEF

33. The Plaintiff repeats and incorporates by reference the paragraphs above.

34. By the foregoing and other acts, the defendant properties were used, or intended to be used, in any manner or part to commit or facilitate trafficking in counterfeit goods or services in violation of 18 U.S.C. § 2320, and therefore, is forfeitable to the United States pursuant to Title 18, United States Code, Section 2323(a)(1)(B).

THIRD CLAIM FOR RELIEF

35. The Plaintiff repeats and incorporates by reference the paragraphs above.

36. By the foregoing and other acts, the defendant properties constitute or were derived from proceeds obtained directly or indirectly as a result of trafficking in counterfeit goods in violation of 18 U.S.C. § 2320, and therefore, is forfeitable to the United States pursuant to Title 18, United States Code, Section 2323(a)(1)(C).

FOURTH CLAIM FOR RELIEF

37. The Plaintiff repeats and incorporates by reference the paragraphs above.

38. By the foregoing and other acts, the defendant properties were involved in transactions or attempted transactions in violation of 18 U.S.C. § 1029, and therefore, is forfeitable to the United States pursuant to Title 18, United States Code, Section 981(a)(1)(C).

FIFTH CLAIM FOR RELIEF

39. The Plaintiff repeats and incorporates by reference the paragraphs above.

40. By the foregoing and other acts, the defendant properties constitute properties involved in financial transactions or attempted transactions that represent the proceeds of some form of unlawful activity, conducts or attempts to conduct such a financial transaction which in fact involved the proceeds of a specified unlawful activity, that is wire fraud and trafficking in counterfeit goods in violation of 18 U.S.C. § 1956, or is property traceable to such a transaction, and therefore, is forfeitable pursuant to 18 U.S.C. § 981(a)(1)(A).

SIXTH CLAIM FOR RELIEF

41. The Plaintiff repeats and incorporates by reference the paragraphs above.

42. By the foregoing and other acts, the defendant properties were involved in monetary transactions derived from a specified unlawful activity, that is wire fraud and trafficking in counterfeit goods, in violation of 18 U.S.C. § 1957, and therefore, is forfeitable to the United States pursuant to 18 U.S.C. § 981(a)(1)(A).

WHEREFORE the United States prays that the defendant properties be forfeited to the United States, that the plaintiff be awarded its costs and disbursements in this action, and for such other and further relief as the Court deems proper and just.

Respectfully submitted,

Tammy Dickinson
United States Attorney

By:

/s/ James Curt Bohling
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VERIFICATION

I, Supervisory Special Agent Shawn S. Gibson, hereby verify and declare under penalty of perjury that I am a Supervisory Special Agent with the United States Department of Homeland Security, Immigration and Customs Enforcement, Homeland Security Investigations, that I have read the foregoing Verified Complaint *in Rem* and know the contents thereof, and that the matters contained in the Verified Complaint are true to my own knowledge, except that those matters herein stated to be alleged on information and belief and as to those matters I believe them to be true.

The sources of my knowledge and information and the grounds of my belief are the official files and records of the United States, information supplied to me by other law enforcement officers, as well as my investigation of this case, together with others, as a Supervisory Special Agent of the United States Department of Homeland Security, Immigration and Customs Enforcement, Homeland Security Investigations.

I hereby verify and declare under penalty of perjury that the foregoing is true and correct.

Dated 09/15/2014

/s/ Shawn S. Gibson
Shawn S. Gibson
Supervisory Special Agent
United States Department of Homeland
Security, Immigration and Customs
Enforcement, Homeland Security
Investigations